# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:1406
ANSWERED ON:08.03.2007
Losses/profits of oil companies
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) the profit/loss position of the various public sector oil companies on sale of kerosene and cooking gas during each of the last three years, company-wise;

(b) whether the rate of profit earned by the public sector oil companies is less than the profit earned by the private sector oil companies;

(c) if so, the details alongwith the reasons therefor;

(d) whether the Government proposes to issue bonds to State-owned oil companies; and

(e) if so, the extent to which such bonds will provide relief to these oil companies?

## Answer

Minister of State in the Ministry of petroleum and natural gas (Shri Dinsha Patel)

(a):The gross under-recoveries suffered by PSU oil marketing companies (OMCs) in marketing of PDS Kerosene and domestic LPG for the years 2003-04 to 2005-06 are given in Annexure-I.

(b)&(c): Profit After Tax of PSU OMCs and Private Sector oil company is given in Annexure-II. The profits of PSU OMCs were adversely affected due to under recoveries suffered by them on sale of sensitive petroleum products viz. petrol, diesel, PDS kerosene and domestic LPG.

(d)&(e): As a measure of relief to PSU OMCs, the Government, inter alia, issued oil bonds worth Rs.11,500 crore for the financial year 2005-06 to PSU OMCs. The Government also agreed to issue oil bonds to PSU OMCs worth Rs.28,300 crore for the financial year 2006-07 to partially compensate them for their under- recoveries. Out of this, bonds worth Rs.19,150 crore has been issued till date.